

and with a copy to:

Cravath Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019-7475
Attention: Philip A. Gelston and Faiza J. Saeed
Facsimile: 212-474-3700

(b) if to Buyer, to:

Occum Acquisition Corp.
370 Church Street
Guilford, CT 06437
Attention: Reid Campbell, Treasurer
Facsimile: 203-458-0754

with a copy to:

White Mountains Insurance Group, Ltd.
80 South Main Street
Hanover, NH 03755
Attention: Robert Seelig, General Counsel
Facsimile: 603-643-4592

and with a copy to:

Cravath Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019-7475
Attention: Philip A. Gelston and Faiza J. Saeed
Facsimile: 212-474-3700

(c) if to Seller or GAC to:

Safeco Corporation
Safeco Plaza
4333 Brooklyn Avenue NE
Seattle, WA 98185
Attention: James W. Ruddy, Senior Vice President and General Counsel
Facsimile: 206-545-5559

with a copy to:

Latham & Watkins LLP
Sears Tower – Suite 5800
233 South Wacker Drive

Chicago, IL 60606

Attention: Michael D. Levin

Facsimile: 312-993-9767

Section 8.4 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties; provided, however, that the rights (but not the obligations) of Buyer may be transferred to any direct or indirect wholly owned subsidiary of Parent with an appropriate amendment to this Agreement.

Section 8.5 Expenses. Whether or not the transactions set forth in Section 1.1 are consummated, all fees, charges and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees, charges or expenses, except as set forth in the following sentence. The Seller shall pay the following costs and expenses of the transactions contemplated hereby to the extent incurred prior to the Closing: (i) any third-party assignment penalties or premiums (whether imposed in the form of fees, penalties, assessments, loss of servicing income, or otherwise) and (ii) all other external costs incurred in securing third party consents, including all costs related to the preparation (including, but not limited to, legal fees), printing and mailing of proxies and all proxy solicitation expenses with respect to the Registered Investment Companies.

Section 8.6 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the state of New York applicable to agreements made and to be performed entirely within such state, without regard to the choice of law principles thereof.

Section 8.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 8.8 Interpretation.

(a) The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. The parties are sophisticated, represented by counsel and jointly have participated in the negotiation and drafting of this Agreement and there shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(b) (i) Seller and Buyer acknowledge that all references to specific line items within any of the definitions referred to in the defined term "June Adjusted Statutory Book Value" (other than the defined term "Book Value of Certain Non-Admitted Assets" and the definitions referred to in such defined term) were created on the basis of line items set forth in the audited statutory statement of the applicable Insurance Company as of December 31, 2003. In the event that the title of any line item in the audited statutory statements of the Insurance Companies as of June 30, 2004 has changed from the titling in the audited statutory statements of one or more Insurance Companies as of December 31, 2003, a parallel change shall be deemed to have been made in all line item references described in the preceding sentence to which such labeling change would be applicable, with the intent that the values and amounts described by such line item references shall remain consistent between the two sets of audited statutory statements.

(ii) Seller and Buyer acknowledge that all references to specific line items within any of the definitions referred to in the defined term "Book Value of Certain Non-Admitted Assets" were created on the basis of line items set forth in the statutory annual statement of the applicable Insurance Company as of December 31, 2003. In the event that the title of any line item in the quarterly statutory statements of the Insurance Companies as of June 30, 2004 has changed from the titling in the December 31, 2003 annual statements of one or more Insurance Companies, a parallel change shall be deemed to have been made in all line item references described in the preceding sentence to which such labeling change would be applicable, with the intent that the values and amounts described by such line item references shall remain consistent between the two sets of statements.

Section 8.9 Entire Agreement. This Agreement (including the schedules, exhibits, documents or instruments referred to herein), the other Transaction Documents and the Confidentiality Agreement embody the entire agreement and understanding of the parties hereto in respect of the subject matter hereof and thereof and supersede all prior agreements and understandings, both written and oral, among the parties, or between any of them, with respect to the subject matter hereof and thereof. There are no restrictions, promises, representations, warranties, agreements or undertakings whatsoever with respect to the transactions contemplated by this Agreement, the other Transaction Documents or the Confidentiality Agreement, other than those expressly set forth herein or therein.

Section 8.10 No Third Party Beneficiaries. This Agreement is not intended to, and does not, create any rights or benefits of any party other than the parties hereto.

Section 8.11 Severability. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other Persons or circumstances. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

Section 8.12 Consent to Jurisdiction. Each party irrevocably submits to the exclusive jurisdiction of (a) the New York State Supreme Court sitting in the borough of Manhattan, and (b) the United States District Court for the Southern District of New York sitting in the borough of Manhattan, for the purposes of any suit, action or other proceeding arising out of this Agreement, any Transaction Document or any transaction contemplated hereby or thereby. Each of Parent, Buyer, Seller and GAC further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth above shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 8.12. Each of Parent, Buyer, Seller and GAC irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement, any Transaction Document or the transactions contemplated hereby and thereby in (i) the New York State Supreme Court sitting in the borough of Manhattan, or (ii) the United States District Court for the Southern District of New York sitting in the borough of Manhattan, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 8.13 WAIVER OF JURY TRIAL. EACH PARTY HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER TRANSACTION DOCUMENTS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING OR STATEMENT (WHETHER VERBAL OR WRITTEN) RELATING TO THE FOREGOING. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT.

ARTICLE IX. DEFINITIONS

For purposes of this Agreement, the following terms shall have the meanings ascribed to them in this Article IX:

"AAA" is defined in Section 7.4(e).

"Accounting Expert" is defined in Section 1.4(d).

"Acquired Company" is defined in the recitals.

"Acquired Company Employee" means each (i) employee of an Acquired Company on the Closing Date, whether or not such employee is actively at work on such day including any employees who are on military leave, disability, worker's compensation or any other leave of absence, whether or not paid, and (ii) each Bank Channel Employee who actually becomes an employee of Buyer or an Acquired Company pursuant to Section 4.6(h).

"Acquired Company Plans" means each Plan that is maintained or sponsored solely by an Acquired Company for its current and/or former employees.

"Acquired Company Proprietary Rights" means all Proprietary Rights owned by the Acquired Companies.

"Adjustment Memorandum" is defined in Section 1.4(c).

"Adjustment Note" is defined in Section 1.4(g).

"Admitted Statutory Deferred Tax Asset" means the total of the values set forth as 'Net deferred tax asset' in the audited statutory statement as of June 30, 2004 of each of Safeco Life Insurance Company, American States Life Insurance Company, Safeco National Life Insurance Company and First Safeco National Life Insurance Company of New York.

"Advisory Agreement" means, with respect to any Person, each Contract or Other Agreement relating to its rendering of investment management, investment advisory, management, administration or any other services to a Client, including any sub-advisory or similar agreement.

"Affiliate," with respect to any Person, shall mean any Person controlling, controlled by or under common control with such Person and shall also include any Person 10% or more of whose outstanding voting power is owned by the specified Person either directly or indirectly through subsidiaries.

"Affiliated Group" means Seller, the Acquired Companies and each other member of the affiliated group of corporations that includes Seller within the meaning of Section 1504 of the Code.

"Agreed Accounting Policies" is defined in Section 1.4(a).

"Agreement" is defined in the preamble.

"Asset Management Business" means the business conducted by those Acquired Companies that are Investment Advisor Subsidiaries or Broker/Dealer Subsidiaries.

"Asset Valuation Reserve" means the total of the values set forth as 'Asset valuation reserve' in the audited statutory statements as of June 30, 2004 of each of Safeco Life Insurance Company, American States Life Insurance Company, Safeco National Life Insurance Company and First Safeco National Life Insurance Company of New York.

"Bank Channel Employee" means each employee set forth on Schedule 4.6(h).

"Book Value of Certain Non-Admitted Assets" is the total of the values of all non-admitted assets as of June 30, 2004 as reflected in the Quarterly Statutory Statement, Page 2, Column 2 of each of Safeco Life Insurance Company, Safeco National Life Insurance Company and First Safeco National Life Insurance Company of New York, but excluding (i) Intangible Assets and (ii) the Non-Admitted Statutory Deferred Tax Asset.

"Broker/Dealer Subsidiaries" is defined in Section 2.7(b).

"Business Day" means any day which is not a Saturday, Sunday, or legal holiday recognized by the United States of America.

"Business Employee" means each employee of an Acquired Company and each Bank Channel Employee.

"Buyer" is defined in the preamble.

"Buyer Indemnified Parties" is defined in Section 7.1.

"Buyer Intellectual Property License" is defined in Section 1.3(a)(iii).

"Buyer's Group Welfare Plans" is defined in Section 4.6(d).

"Buyer's Retirement Plan" is defined in Section 4.6(c).

"Cap" is defined in Section 7.3(a).

"Client" means, with respect to any Person, each Investment Company and each other Person for which such Person or any of its Subsidiaries is a Service Provider.

"Client Contracts" is defined in Section 2.21(a)(ii).

"Closing" is defined in Section 1.2.

"Closing Consideration" is defined in Section 1.3(b)(i).

"Closing Date" is defined in Section 1.2.

"COBRA" is defined in Section 4.6(a).

"Code" means the Internal Revenue Code of 1986, as amended.

"Combined Return" is a Seller Tax Return for any Taxes imposed by a state, local or foreign Tax authority for which Seller or any Affiliate of Seller other than the Acquired Companies files with any of the Acquired Companies on a consolidated, combined or unitary basis.

"Commonly Controlled Entity" is defined in Section 2.20(a).

"Company Forms" is defined in Section 2.22(a).

"Competitive Activities" is defined in Section 4.20(a).

"Confidentiality Agreement" is defined in Section 4.2(a).

"Constituent Documents" means, with respect to any corporation, its charter and by-laws; with respect to any partnership, its certificate of partnership and partnership agreement; with respect to any limited liability company, its certificate of formation and limited liability

company or operating agreement; with respect to any trust, its declaration or agreement of trust; and with respect to each other Person, its comparable constitutional instruments or documents; together in each case, with all material consents and other instruments delegating authority pursuant to such Constituent Documents.

"Contracts or Other Agreements" is defined in Section 2.4.

"De Minimis Amount" is defined in Section 7.3(a).

"December Financial Statements" is defined in Section 1.4(a).

"Deductible Amount" is defined in Section 7.3(a).

"delivered" shall include delivery by means of computer disk, CD-ROM, electronic mail, facsimile, hand deliveries, messenger or other courier service.

"Environmental Claim" means any and all administrative, regulatory or judicial actions, suits, orders, demands, directives, claims, liens, investigations, proceedings or written notices of violation by or from any Person alleging liability of whatever kind or nature arising out of, based on or resulting from (y) the presence or release of, or exposure to, any Hazardous Materials at any location; or (z) the failure to comply with any Environmental Law.

"Environmental Laws" means all applicable federal, state, local and foreign laws, rules, regulations, orders, decrees, judgments, legally binding agreements or Environmental Permits issued, promulgated or entered into by or with any Governmental Entity, relating to pollution, natural resources or protection of endangered or threatened species, human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata).

"Environmental Permit" means all permits, licenses and governmental authorizations pursuant to Environmental Law.

"Equity Interest" means, with respect to any Person, any share of capital stock of, general, limited or other partnership interest, membership interest or similar ownership interest under the laws of a jurisdiction outside the United States, in such Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Plans" is defined in Section 2.7(c).

"Excess Capital Dividend" is defined in Section 4.1(c).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Fair Value" of an asset shall be the value for such asset calculated by Seller using assumptions and methodologies consistent with those assumptions and methodologies utilized to calculate the amounts included in Schedule 4.15, with the exception that instead of

using the December 31, 2003 yield curve for such calculation, the treasury yield curve as of the date of the sale will be used in the calculation.

"Fair Value of the Sold Assets" is defined as the total of the Fair Value amounts calculated at the time of sale for each Sold Asset.

"Financial Intermediary Arrangements" is defined in Section 2.22(l).

"Financing" is defined in Section 3.6.

"Fund Agreements" is defined in Section 2.21(b)(vi).

"Fund Reports" is defined in Section 2.21(b)(iv).

"GAAP" shall mean generally accepted accounting principles in the United States in effect as of the date of the most recent balance sheet included within the GAAP Financial Statements delivered to Parent and Buyer.

"GAAS" is defined in Section 1.4(a).

"GAC" is defined in the preamble.

"Goldman Sachs" is defined in Section 2.11.

"Governmental Entity" means any foreign, federal, state, municipal, local or other governmental department, commission, board, bureau, agency or instrumentality or court of competent jurisdiction or any governmental or non-governmental self-regulatory organization, agency or authority (including the National Association of Securities Dealers, Inc., the Commodities and Futures Trading Commission, the National Futures Association and the National Association of Insurance Commissioners).

"Hazardous Materials" means (y) any petroleum or petroleum products, radioactive materials or wastes, asbestos in any form and polychlorinated biphenyls; and (z) any other chemical, material, substance or waste that in relevant form or concentration is prohibited, limited or regulated under any Environmental Law.

"HIPAA" is defined in Section 2.22(o).

"HSR Act" is defined in Section 2.5.

"including" shall, unless the context clearly requires otherwise, mean including but not limited to the items or things following such term.

"Indemnified Party" is defined in Section 7.4(a).

"Indemnifying Party" is defined in Section 7.4(a).

"Initial Adjustment Amount" is defined in Section 1.4(g).

"Insurance Subsidiaries" is defined in Section 2.7(a)(i).

"Insurance Subsidiaries HIPAA/Privacy Plan" is defined in Section 2.22(o).

"Insurance Subsidiary Statements" shall mean (a) audited statutory financial statements (including any exhibits or schedules thereto) filed in each Insurance Subsidiary's state of domicile for the year 2003 and (b) the annual and quarterly statutory financial statements (including any exhibits or schedules thereto) filed in each Insurance Subsidiary's state of domicile for all years and quarters ending thereafter and prior to the Closing for each Insurance Subsidiary.

"Intangible Assets" means the total of the values set forth as 'Intangible Assets' included as an Aggregate Write-in on Page 2, Column 2, line 2302 of the Quarterly Statutory Statement as of June 30, 2004 of each of Safeco Life Insurance Company, American States Life Insurance Company, Safeco National Life Insurance Company and First Safeco National Life Insurance Company of New York.

"Investment Adviser Subsidiary" is defined in Section 2.7(c).

"Investment Advisers Act" means the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder.

"Investment Company" means an investment company, as such term is defined in the Investment Company Act (including any entity that, although an investment company, is exempt from registration as an investment company under such Act). When used herein without reference to a specified Person, "Investment Company" refers to any Investment Company for which any of the Acquired Companies acts as a Service Provider.

"Investment Company Act" means the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

"Investment Company Advisory Agreement" means any Advisory Agreement to which an Investment Company is a party.

"Investment Company Board" or "Board" means the board of directors or trustees (or persons performing similar functions) of an Investment Company.

"Investment Company Financial Statements" is defined in Section 2.21(b)(ii).

"Investment Guidelines" means the Safeco Corporation Investment Policies and Guidelines adopted as of November 5, 2001, effective as of January 1, 2002, as amended and restated on August 7, 2002, as delivered to Buyer prior to the date of this Agreement.

"Investment Portfolio" means all investments, including stocks, bonds, cash and limited partnership interests, owned, directly or indirectly, by the Affiliated Group for the benefit of the Acquired Companies, other than shares in any Acquired Company.

"IP Side Letters" is defined in Section 4.1(z).

"IRS" means the Internal Revenue Service.

"June Adjusted Statutory Book Value" is the total of (i) Statutory Capital and Surplus plus (ii) the Asset Valuation Reserve minus (iii) the Admitted Statutory Deferred Tax Asset plus (iv) the Book Value of Certain Non-Admitted Assets plus (v) a Mark to Market Adjustment.

"June Financial Statements" is defined in Section 1.4(a).

"knowledge" with respect to Seller, shall mean the actual knowledge of Christine Mead, James Ruddy, Roger Harbin, Michael Kinzer, Michael Murphy and Randall Talbot.

"Law" means any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official enactment of or by any Governmental Entity.

"Lease" is defined in Section 2.16(b).

"Lease Agreement" is defined in Section 1.3(a)(v).

"Leased Property" is defined in Section 2.16(b).

"Lien" means any lien, security interest, charge, claim, mortgage, deed of trust, warrant, purchase right, lease, or other encumbrance.

"Life and Annuity Contracts" means all group health and medical, life insurance, annuity and endowment contracts and other contracts and agreements typically considered part of the group health and medical or life lines of insurance, which contracts and agreements shall have been sold, arranged delivered, issued for delivery, assumed, coinsured, whether on a modified coinsurance basis or otherwise, or reinsured by any Acquired Company at any time prior to the Closing, including without limitation all group life and health contracts, all individual and group term, whole, universal, variable, universal variable and other life insurance policies, all individual and group endowment and modified endowment contracts, all individual and group disability insurance products, all individual and group fixed, variable and other annuity contracts, all guaranteed investment contracts, all funding agreements, all other agreements issued by, against or funded by the general or separate account of any life insurance company which is an Acquired Company, and, with respect to the aforesaid group insurance and annuity contracts, all certificates and employer participation agreements in effect and issued under such policies, and all reinstatements of such policies, contracts, certificates and agreements required to be made at any time after the Closing, and all such policies, contracts, certificates and agreements sold, arranged, delivered, issued, assumed, coinsured or reinsured by any Acquired Company after the Closing pursuant to the exercise of options or operation of agreements or arrangements in effect prior to the Closing (including, in each case, all supplements, endorsements, riders and ancillary agreements in connection therewith).

"Life Insurance Contract" means all individual and group term, whole, universal, variable, universal variable and other life insurance policies.

"Losses" is defined in Section 7.1.

"Mark to Market Adjustment" is defined as 3% of the sum of (i) Statutory Capital and Surplus plus (ii) the Asset Valuation Reserve.

"Material Adverse Effect," with respect to the Acquired Companies, means any (i) change, (ii) effect, (iii) event, (iv) occurrence or (v) development or developments, which individually or in the aggregate, would reasonably be expected to result in any change or effect, that (A) is materially adverse to the business, financial condition, properties, assets, liabilities (contingent or otherwise) or results of operations of the Acquired Companies; taken as a whole, or (B) would reasonably be expected to prevent or materially delay the consummation by Seller or GAC, as applicable, of the transactions contemplated by this Agreement and the other Transaction Documents; provided, however, that none of the following shall be deemed, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been or will be, a Material Adverse Effect: (i) changes in Laws, rules or regulations of general applicability or interpretations thereof by Governmental Entities, in each case after the date hereof, (ii) changes, after the date hereof, in applicable GAAP or SAP, (iii) actions or omissions of a party to this Agreement taken with the prior written consent of the other party to this Agreement and (iv) changes, after the date hereof, generally affecting (x) any of the industries in which the Acquired Companies conduct their business, so long as the changes in such industries do not disproportionately impact (other than as a result of the volume of business transacted) the Acquired Companies or (y) general economic and financial market conditions in the United States (including movements in interest rates).

"Material Adverse Effect," with respect to Parent or Buyer, means any (i) change, (ii) effect, (iii) event, (iv) occurrence or (v) development or developments, which, individually or in the aggregate, would reasonably be expected to prevent or materially delay the consummation by Parent or Buyer, as applicable, of the transactions contemplated by this Agreement and the other Transaction Documents.

"Material Contract" is defined in Section 2.10(b).

"MEC" is defined in Section 2.22(c).

"Milliman" is defined in Section 2.11.

"Multiemployer Plan" is defined in Section 2.20(f).

"NASD" is defined in Section 2.7(b).

"NASD Regulations" means the Conduct Rules of the NASD (Rules 2000 through 3420).

"NAV" is defined in Section 2.21(b)(xxi).

"Non-Admitted Statutory Deferred Tax Asset" means the total of the values set forth in Page 2, Column 2, line 15.2 of the Quarterly Statutory Statement as of June 30, 2004 of each of Safeco Life Insurance Company, American States Life Insurance Company, Safeco

National Life Insurance Company and First Safeco National Life Insurance Company of New York.

"Non-Insurance Financial Statements" is defined in Section 2.6.

"Objection Period" is defined in Section 1.4(b).

"Objection Notice" is defined in Section 1.4(b).

"Orders" is defined in Section 2.9.

"Parent" is defined in the preamble.

"PBGC" is defined in Section 2.20(g).

"Pension Plan" is defined in Section 2.20(a).

"Person" shall mean and include an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

"Plans" is defined in Section 2.20(a).

"Policy" is defined in Section 2.22(c).

"Policy Owner" is defined in Section 2.22(c).

"Post-Closing Adjustment Amount" is defined in Section 1.4(f).

"Post-Closing Tax Period" means any Tax Period beginning after the Closing Date and the portion of any Straddle Period beginning after the Closing Date.

"Pre-Closing Tax Period" means any Tax period ending on or before the Closing Date and the portion ending on the Closing Date of any Straddle Period including operations through the Closing Date.

"Proceeding" is defined in Section 2.9.

"Proprietary Rights" means patents, registered and common law trademarks, trade secrets, and registered and unregistered copyrights.

"Purchase Price" is defined in Section 1.4(f).

"Qualified Contract" means a Life & Annuity Contract issued in connection with a plan or arrangement intended to qualify for tax treatment under Section 401(a), 403(a), 403(b), 408, 408A or 457 of the Code.

"Quarterly Statutory Statement" means the quarterly statutory financial statements of the named entity as filed with the applicable state insurance regulator for the quarter ending June 30, 2004.

"Registered Investment Company" means an Investment Company registered under the Investment Company Act.

"Registered Separate Account" is defined in Section 2.22(g).

"Related Contracts" means a Life and Annuity Contract or other contract, in each case entered into in the ordinary course of business, that is used in conjunction with a Life and Annuity Contract and that is (i) a surety bond guaranteeing performance of Safeco Assigned Benefits Service Company; (ii) a qualified assignment between Safeco Assigned Benefits Service Company and various Safeco Property & Casualty Subsidiaries; (iii) a non-qualified assignment between Safeco National Life Insurance Company and various Safeco Property & Casualty Subsidiaries; (iv) a single premium immediate annuity purchased from Safeco Life Insurance Company by various Safeco Property & Casualty Subsidiaries; (v) an Administrative Agreement between Safeco Life Insurance Company and various Safeco Property & Casualty Subsidiaries allowing Safeco Life Insurance Company to make certain administrative decisions and take certain actions on unassigned structured settlement annuity contracts owned by the Safeco Property & Casualty Subsidiaries; or (vi) a single premium group annuity purchased by Safeco Corporation from Safeco Life Insurance Company designed to provide periodic payments to certain retirees of American States Insurance Company.

"Relevant Entities" is defined in Section 4.10(b)(i).

"Remediation Plan" is defined in Section 4.10(g)(ii).

"Required Licenses" is defined in Section 2.17 (a).

"Restraints" is defined in Section 5.1(a).

"Reviewer" is defined in Section 7.4(e).

"Reviewer Conclusion" is defined in Section 7.4(e).

"RIC Procedures" is defined in Section 2.21(b)(xxi).

"Sale Price of the Sold Assets" is defined as the net proceeds from the sale of the Sold Assets received by the Acquired Companies, without reflecting the impact of any taxes due or paid as a result of such sale.

"SAP" is defined in Section 2.7(a)(ii).

"SAP Reps" is defined in Section 7.4(e).

"SEC" means the Securities and Exchange Commission, and any successor thereto.

"SEC Documents" is defined in Section 2.7(c).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Securities Laws" means the Securities Act, the Exchange Act, the Investment Company Act, the Investment Advisors Act and the state "blue sky" laws, and the rules and regulations promulgated thereunder.

"Seller" is defined in the preamble.

"Seller Disclosure Letter" is defined in Article II.

"Seller Indemnified Parties" is defined in Section 7.2.

"Seller Plan" means each Plan other than an Acquired Company Plan.

"Seller's Retiree Plans" is defined in Section 4.6(d).

"Seller's Retirement Plans" is defined in Section 4.6(c).

"Service Provider" means any Person who acts as investment manager, administrator, general partner, managing member or similar controlling person, investment advisor, subadvisor or distributor or provider of other services.

"Separate Account" is defined in Section 2.22(e).

"Shares" is defined in the recitals.

"SIS" means Safeco Investment Services, Inc., a Washington corporation and a wholly owned subsidiary of GAC.

"Sold Assets" is defined in Section 4.15(a).

"Statutory Capital and Surplus" means the value set forth as 'Total capital and surplus' in the audited statutory financial statements as of June 30, 2004 of Safeco Life Insurance Company.

"Straddle Period" means any Tax period beginning before and ending after the Closing Date.

"Subsidiary," with respect to any Person, shall mean any corporation 50% or more of the outstanding voting power of which, or any partnership, joint venture, limited liability company or other entity 50% or more of the total equity interest of which, is directly or indirectly owned by such Person. For purposes of this Agreement, all references to "Subsidiaries" of a Person shall be deemed to mean "Subsidiary" if such Person has only one subsidiary.

"Target Statutory Book Value" means \$1.15 billion.

"Taxes" shall mean all taxes of any kind, including, without limitation, those on or measured by or referred to as income, gross receipts, sales, use, ad valorem, franchise, profits, license, value added, property or windfall profits taxes, customs, duties or similar fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any governmental authority, domestic or foreign.

"Tax Return" shall mean any return, report or statement required to be filed with any governmental authority with respect to Taxes.

"Third Party Claim" is defined in Section 7.4(a).

"Third Party Reinsurance Contracts" is defined in Section 2.23.

"Transaction Documents" is defined in Section 1.3(b)(iv).

"Transfer Taxes" is defined in Section 1.5.

"Transition Services Agreement" is defined in Section 1.3(a)(ii).

"Transitional Trademark License" is defined in Section 1.3(a)(iv).

"12b-1 Plan" is defined in Section 2.21(b)(vi).

"Welfare Plan" is defined in Section 2.20(a).

* * *


MAR. 15. 2004 11:21AM

CODAN BERMUDA 7

NO. 5053 P. 2

IN WITNESS WHEREOF, Parent, Buyer, Seller and GAC have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

WHITE MOUNTAINS INSURANCE
GROUP, LTD.



By: Dennis Beaulieu

Its: Secretary

OCEUM ACQUISITION CORP.



By: Kernan V. Oberting

Its: President

SAFECO CORPORATION

By:

Its:

GENERAL AMERICA CORPORATION

By:

Its:

IN WITNESS WHEREOF, Parent, Buyer, Seller and GAC have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

WHITE MOUNTAINS INSURANCE
GROUP, LTD.

By:

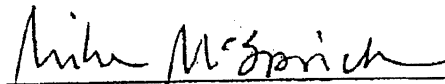
Its:

OCCUM ACQUISITION CORP.

By:

Its:

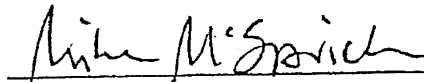
SAFECO CORPORATION



By: Michael S. McGavick

Its: Chairman, Chief Executive Officer
and President

GENERAL AMERICA CORPORATION



By: Michael S. McGavick

Its: President